GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6259
ANSWERED ON:06.05.2005
VIOLATION OF GUIDELINES
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Will the Minister of FINANCE be pleased to state:

(a) whether certain public Sector and Private Sector Banks are not following the guidelines issued by Reserve Bank of India scrupulously;

(b) if so, the details thereof with the norms of banks;

(c) whether at a given point of time such banks have been punished by RBI/Government for making such a default;

(d) if so, the details thereof; and

(e) if not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANTMAMCKAM)

(a) to (e): Both public and private sector banks are following the guidelines prescribed by Reserve Bank of India (RBI) from time to time on different aspects of banking/financial dealings. There is a system in place in RBI, which regulates the functioning of these institutions. RBI regularly conducts Annual Financial Inspections to diagnose violation of guidelines or any kind of irregularities. RBI takes up these findings with the respective banks, if considered necessary for corrective action